

HOUSE BILL 2862

By Brooks H

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 1; Title 49, Chapter 2; Title 49, Chapter 3 and Title 49, Chapter 5, relative to teacher pay. This act makes appropriations for the purpose of incentive pay for teachers for the fiscal year beginning July 1, 2012.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-3-306, is amended by adding the following language as new subsection (i):

(i)

(1) There is created within the state treasury a fund to be administered by the department of education and to be known as the teacher incentive pay fund.

(2) In each fiscal year, subject to specific appropriation by the general assembly in the general appropriations act, there shall be deposited in the fund:

(A) For a five-point teacher evaluation system in which 5 is the highest evaluation:

(i) One thousand dollars (\$1,000) for each teacher who, in the previous school year, scored a 3 or 4 overall on the evaluation;

(ii) One thousand five hundred dollars (\$1,500) for each teacher, who in the previous school year, scored a 5 overall on the evaluation; and

(B) For a four-point teacher evaluation system in which 4 is the highest evaluation:

(i) One thousand dollars (\$1,000) for each teacher who, in the previous school year, scored a 3 overall on the evaluation;

(ii) One thousand five hundred dollars (\$1,500) for each teacher, who in the previous school year, scored a 4 overall on the evaluation; and

(C) Unencumbered funds or any unexpended funds remaining at the end of a fiscal year that were appropriated for state special schools.

(3) Moneys in the teacher incentive pay fund shall be available to the department of education to reward public school teachers, including teachers at the state special schools, whose overall evaluation scores meet the requirements for payment of a bonus. Teacher incentive pay bonuses for a school year shall be set at:

(A) For a five-point teacher evaluation system in which 5 is the highest evaluation:

(i) One thousand dollars (\$1,000) for each teacher who scored a 3 or 4 overall on the evaluation; and

(ii) One thousand five hundred dollars (\$1,500) for each teacher who scored a 5 overall on the evaluation; or

(B) For a four-point teacher evaluation system in which 4 is the highest evaluation:

(i) One thousand dollars (\$1,000) for each teacher who scored a 3 overall on the evaluation; and

(ii) One thousand five hundred dollars (\$1,500) for each teacher who scored a 4 overall on the evaluation.

(4) The award of incentive pay bonuses for a school year is subject to the availability of funds in the teacher incentive pay fund. In the event the fund is insufficient to fund fully the teacher incentive pay bonuses under subdivision (i)(3), then the commissioner is authorized to reduce the amounts to be awarded for the bonuses pro rata. The commissioner may also establish an amount that if the fund drops below the established amount, no bonuses shall be paid for that school year.

(5) Amounts remaining in the teacher incentive pay fund at the end of each fiscal year shall not revert to the general fund, but shall be carried forward into the subsequent fiscal year and remain available for use by the department for teacher incentive pay bonuses. Moneys in the fund shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6 for the sole benefit of the fund. All earnings attributable to such investments shall be credited to the fund.

(6) Teacher incentive pay bonuses are not a component of the BEP. The department shall disburse to an LEA the total amount due its teachers for payment of teacher incentive pay bonuses according to the amount due each teacher receiving an award.

(7) Payment of teacher incentive bonuses by the state from the teacher incentive pay fund shall not preclude or limit the adoption of local teacher incentive pay plans by LEAs.

(8) The first award of teacher incentive pay bonuses may be made for evaluations received in the school year corresponding to the first fiscal year in which moneys are deposited in the teacher incentive pay fund.

(9) Teacher incentive pay bonuses shall not be included as earnable compensation, as defined in § 8-34-101, for retirement purposes.

SECTION 2. Tennessee Code Annotated, Section 49-3-358(e), is amended by deleting the subsection in its entirety and by substituting instead the following:

(e) Any unencumbered funds or any unexpended balance of the BEP account remaining at the end of any fiscal year shall not revert to the general fund of the state or the education trust fund of 1992, but shall be deposited in the teacher incentive pay fund.

SECTION 3. The commissioner is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.